Alberta Tourism Market Monitor

Some tourism indicators for the province hold firm...

Alberta's economy is forecast to contract further in 2016 while the rout on crude oil markets lingers. The province's economic hardship is also reflected in a number of tourism indicators, which have continued their downward trend from 2015 into 2016. Occupancy rates declined across the board in the major regions in February 2016 and for the year-to-date (including Total Alberta excluding Resorts, Other Alberta and the cities of Edmonton and Calgary), while total arrivals and departures at Edmonton International Airport also declined by 7% for the year-to-date (January – March 2016) and total food services and drinking places receipts decreased to $668 million in January (a decrease of 3.1% compared to January 2015).

However, a few bright spots remain. Calgary International Airport recorded a 2.2% growth in traffic for the year-to-date (January – February 2016), on the back of increased domestic and international passenger arrivals and departures. Visitor attendance at Banff National Park (growth of 6.3% in January 2016 compared to the same month in 2015) and historic sites and museums (5.8% growth for the year-to-date January – March 2016) continue to rise, while the occupancy rate for the Alberta Resorts region is holding its own with a 1.1 point increase in its year-to-date occupancy rate (January – February 2016) and an average daily room rate of $190 for the same period – the highest of all regions.

...but Accommodation Outlook for 2016 reflective of economic times

CBRE Limited presented their 2016 outlook for the accommodation sector at the Alberta Hotel and Lodging Association's Annual Convention. A key take-away is, that while 2016 will be a challenging year with the prediction of significant declines in revenues per available room, there is an opportunity for developers and owners to negotiate better prices for new construction projects and renovations.

This is supported by Statistics Canada's Quarterly Price Index of Non-residential Building Construction for Edmonton and Calgary, which showed that construction costs for the two cities stayed at similar levels for quarters 1 and 2 of 2015 (compared to the same quarters in 2014), and then started to decrease by 2% and 1% respectively in the last two quarters of 2015.

CBRE's Alberta Accommodation Outlook for 2016 is available at Alberta Culture and Tourism http://culture.alberta.ca/tourism/research-and-statistics/statistics/accommodation-statistics/.

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Alberta Culture and Tourism

	Jan.	Feb.	Mar.	Apr.	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Yr-to-Date
Air Passengers 2016 (000's of arrivals and departures) [1]													
Edmonton International Total	602.7r	595.7r	**621.4p**										**1819.8p**
Per cent change from 2015	-6.8%	-4.5%	**-9.3%**										**-7.0%**
Domestic	400p	397.9p	**426.7p**										**1224.7p**
Per cent change from 2015	0.5%	4.5%	**1.3%**										**2.0%**
Transborder	97p	95.2p	**95.5p**										**287.6p**
Per cent change from 2015	-18.0%	-20.5%	**-26.1%**										**-21.6%**
International	65.4p	61.1p	**56.1p**										**182.6p**
Per cent change from 2015	-0.5%	0.2%	**-11.2%**										**-3.8%**
Calgary International Total	1205.9r	**1193.5p**											**2399.3p**
Per cent change from 2015	0.5%	**3.8%**											**2.2%**
Domestic	810.9r	**810.7p**											**1621.6p**
Per cent change from 2015	1.2%	**5.9%**											**3.5%**
Transborder	236.3p	**237p**											**473.3p**
Per cent change from 2015	-7.2%	**-6.5%**											**-6.8%**
International	158.6p	**145.8p**											**304.4p**
Per cent change from 2015	10.3%	**11.5%**											**10.9%**
Fort McMurray International Total	**67.9p**	**71p**											**139p**
Per cent change from 2015	**-30.3%**	**-21.9%**											**-26.1%**
Highway Count 2016 (000's of vehicles) [2]													
Hwy 1 -Sask border w-bound	57.1	**57.5**	**71**										**185.6**
Per cent change from 2015	-1.0%	**0.4%**	**9.7%**										**3.3%**
Hwy 1 - Banff Pk Gate (2-way)	542.1	**550.8**	**626.1**										**1719**
Per cent change from 2015	8.0%	**9.0%**	**15.0%**										**10.8%**
Hwy 16 - Jasper Pk Gate (2 way)	90.1	**89**	**118.8**										**297.9**
Per cent change from 2015	-6.4%	**-4.1%**	**6.4%**										**-1.0%**
Hwy 16 - Blackfoot w-bound	143.9	**139.2**	**160.3**										**443.4**
Per cent change from 2015	-12.3%	**-5.0%**	**-6.2%**										**-7.9%**
National Park Attendance (000's of visitors) 2016 [3] **Does not include Group Tours**													
Banff	**196.6p**												**196.6p**
Per cent change from 2015	**6.3%**												**6.3%**
Jasper	**51p**												**51p**
Per cent change from 2015	**-3.4%**												**-3.4%**
Waterton Lakes	**8.5p**	**11.5p**											**20p**
Per cent change from 2015	**26.9%**	**53.3%**											**40.8%**
Employment (000's of persons) 2016 Seasonally Adjusted [4]													
Accommodation and Food Services	138p	135.7p	**138.6p**										**137.4p**
Per cent change from 2015	-12.0%	-13.7%	**-11.1%**										**-12.4%**

Sources: Edmonton International Airport, Calgary International Airport, Fort McMurray International Airport, Alberta Transportation, Parks Canada, Statistics Canada.

	Jan.	Feb.	Mar.	Apr.	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Yr-to-Date
Accommodation Indices 2016 [3]													
Edmonton Occupancy Rate	49.7%	59.0%											54.4%
Point change from 2015	-5.0	-6.7											-5.9
Average Daily Room Rate	$128.02	$131.88											$129.95
Variance from 2015	-5.0%	-4.3%											-4.7%
Revenue per available room	$63.58	$77.83											$70.71
Calgary Occupancy Rate	45.8%	50.9%											48.4%
Point change from 2015	-9.4	-11.1											-10.3
Average Daily Room Rate	$138.84	$138.98											$138.91
Variance from 2015	-10.4%	-10.7%											-10.6%
Revenue per available room	$63.63	$70.69											$67.16
Alberta Resorts Occupancy Rate	42.5%	53.9%											48.2%
Point change from 2015	1.6	0.5											1.1
Average Daily Room Rate	$184.26	$195.28											$189.77
Variance from 2015	0.9%	10.7%											5.8%
Revenue per available room	$78.40	$105.22											$91.81
Other Alberta* Occupancy Rate	35.3%	39.6%											37.5%
Point change from 2015	-17.1	-15.9											-16.5
Average Daily Room Rate	$122.20	$123.10											$122.65
Variance from 2015	-9.0%	-7.8%											-8.4%
Revenue per available room	$43.09	$48.69											$45.89
Total Alberta (excl. Resorts) Occupancy Rate	42.4%	48.3%											45.4%
Point change from 2015	-11.5	-12.1											-11.8
Average Daily Room Rate	$129.50	$131.06											$130.28
Variance from 2015	-8.0%	-7.5%											-7.8%
Revenue per available room	$54.94	$63.24											$59.09
Food Services and Drinking Places 2016 ($ Millions) unadjusted [4]													
Total Receipts for Alberta	$667.86p												$667.86p
Per cent change from 2015	-3.1%												-3.1%
Historic Sites and Museums 2016 (000's of visitors) [7]													
Visitor Attendance	10.6p	26.4p	36.3p										73.3p
Per cent change from 2015	-6.2%	14.3%	4.0%										5.8%
Exchange Rates 2016 [8]													
Canadian Dollar/U.S. Dollar (noon)	0.70	0.72	0.76										0.73
Canadian Dollar/ Euro	0.65	0.65	0.68										0.66
Canadian Dollar/ Great British Pounds	0.49	0.51	0.53										0.51
Oil Price: Western Texas Intermediate (WTI) 2016 [9]													
Cushing, OK Spot Price (US Dollar per Barrel)	31.68	30.32	37.55										33.18
Hotel Projects Valued $5 million or Greater 2016 ($ Millions) [10]													
Total Value of Hotel Projects Inventory	$899	$1,102											$1,102
Sources: CBRE Limited, Statistics Canada, Alberta Culture, Bank of Canada, WTI, Government of Alberta													

*Other Alberta includes Lethbridge, Red Deer, and other Alberta communities

**Please note that the Royal Alberta Museum closed on December 6, 2015. See Notes section for details.

Note: New monthly figures are shown in bold type. Revisions will be bolded. r=revised p=preliminary

1. Air Passengers - Numbers are preliminary estimates of air passenger arrivals and departures at the Edmonton International and Calgary International Airports.
Source: Edmonton International Airport, Calgary International Airport and Fort McMurray International Airport Websites.

2. Highway Traffic: These are monthly totals. The monthly average daily traffic (average number of vehicles per day) is calculated by dividing the monthly total by the number of days in the month passing the counter locations and in the direction indicated for a particular month. Automatic Traffic Recorders counts all vehicles by direction. Year-to-date is a cumulative total for all vehicles.
Source: Alberta Transportation's Automatic Traffic Recorders (ATR). http://www.transportation.alberta.ca/3459.htm

3. National Park Attendance - Attendance is reported as the number of visits to National Parks in Alberta. Data are preliminary unless otherwise noted.
Banff National Park and Jasper National Park reflect independent travellers only, and do not include people travelling as part of a tour group. The tour group data are included in the annual edition of the Market Monitor.
Source: Parks Canada.

4. Employment Food and Accommodation Sector - The employment figure represents all persons who worked for pay or profit or unpaid work in the food services and accommodation sector, including businesses or other ventures owned or operated by a related family member(s) during the reference period of the survey. The year-to-date total is an average for the year.
Source: Statistics Canada, Labour Force Survey.

5. Accommodation Indices for Major Regions - Occupancy rates and average daily room rates are based on monthly averages of all reporting hotels, motels and motor hotels in each designated region. Alberta Resorts includes the resort communities of Banff, Lake Louise, Kananaskis, Canmore and Jasper.

Other Alberta includes Lethbridge, Red Deer, and other Alberta communities.

Revenue per available room is calculated using the occupancy rate and average daily room rate.
Source: CBRE Limited with reproduction and use of information subject to CBRE Disclaimer and Restrictions as detailed at www.cbre.ca.

6. Food Services and Drinking Places - The monthly survey of Food Services and Drinking Places provides estimates of the value of sales and the number of locations of restaurants, caterers, and drinking places by province and by industry at the North American Industry Classification System (NAICS) four-digit level. Includes total receipts from restaurants, caterers and taverns for chain and independent establishments. The target population is the 3 digit NAICS level of 722, which includes: Full-service restaurants, limited service eating places, special food places and drinking places. The year-to-date total is an average for the year.
Source: Statistics Canada, Food Services and Drinking Places.

7. Historic Sites and Museums - Visitor attendance figures are monthly totals based on fifteen historic sites, the Royal Alberta Museum, the Royal Tyrrell Museum of Paleontology, and the Tyrrell Field Station. **The Royal Alberta Museum closed on December 6, 2015. As a result Royal Alberta Museum visitation numbers were removed from the visitor attendance numbers starting January 2016, in order to make comparison with previous years and growth rate calculations possible. The Tyrrell Field Station closed on weekends and holidays starting October 17th.

8. Exchange Rate- this is the average monthly exchange rate.
Source: Bank of Canada.

9. Western Texas Intermediate - This is the average monthly oil price.
Source: Cushing, OK WTI Spot Price FOB.

10. Major hotel projects in Alberta - This is the inventory of hotel projects in Alberta, including new hotels and renovations valued at $5 million or greater. It is not a complete list of hotel projects. The project stages included in the reported number are: announced, under construction and completed. If the project is completed, it will be removed from the inventory after 30 days from completion. More information on other tourism and recreation projects is available on the website provided below.
Source: Government of Alberta. http://majorprojects.alberta.ca/

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